

3 November 2011

**ASOS plc**  
**Global Online Fashion Store**  
**Interim Results for the 6 months ended 30 September 2011**

**“Continued International Growth”**

**Summary results table**

<b>£'000s</b>	<b>H1 2011/12</b>	<b>H1 2010/11</b>	<b>Change</b>
Group revenues <sup>1</sup>	217,258	139,656	56%
Retail sales	210,872	131,409	60%
<i>UK retail sales</i>	<i>88,686</i>	<i>82,438</i>	<i>8%</i>
<i>International retail sales</i>	<i>122,186</i>	<i>48,971</i>	<i>150%</i>
Gross profit	109,982	70,510	56%
<i>Gross margin</i>	<i>50.6%</i>	<i>50.5%</i>	<i>10bps</i>
<i>Retail gross margin</i>	<i>49.1%</i>	<i>47.4%</i>	<i>170bps</i>
Profit before tax and exceptional items	11,654	7,003	66%
Profit before tax	4,485	7,003	(36%)
Diluted underlying earnings per share <sup>2</sup>	10.5p	6.5p	62%
Diluted earnings per share <sup>3</sup>	3.9p	6.5p	(40%)
Net funds <sup>4</sup>	10,414	4,015	159%

<sup>1</sup> Includes retail sales, delivery receipts and 3<sup>rd</sup> party revenues

<sup>2</sup> Underlying earnings per share has been calculated using profit after tax but before exceptional items

<sup>3</sup> Earnings per share has been calculated using profit after tax and exceptional items of £7.2m (2011: £nil)

<sup>4</sup> Cash and cash equivalents less bank borrowings

**Highlights:**

- Retail sales up 60% (UK retail sales up 8%, International retail sales up 150%).
- Retail margin up by 170 bps and gross margin up by 10bps year on year.
- International retail sales accounted for 58% of total retail sales (2010/11: 37%).
- Profit before tax and exceptional items up 66% to £11.7m.
- Warehouse transition completed with minimal disruption to service.
- 3 new international websites launched in Australia, Spain and Italy.

**Nick Robertson, CEO, commented:**

“I am pleased to report a strong first half performance with retail sales up 60% to £210.9m, an acceleration from last year where we were ahead by 50% in the first half. This reflects the increasing contribution of our International business which grew by 150% in the period, representing 58% of our sales (37% last year).

“During the half we launched three more country specific sites in Australia, Italy and Spain taking the total number to seven (including the UK).

“Our retail margin improved by 170bps on the prior year and we increased our profit before tax and exceptional items (relating to the warehouse move) by 66% to £11.7m.

“With our continued rapid and profitable international expansion, we remain confident of achieving full year results in line with market expectations.”

## **Investor and Analyst Meeting**

There will be a meeting for investors and analysts that will take place at 9.30am on 3 November 2011 in The Finsbury Theatre, 4 Chiswell Street, Finsbury Square, London, EC1Y 4UP.

### **For further information:**

#### **ASOS plc**

Nick Robertson, Chief Executive

Tel: 020 7756 1017

Nick Beighton, Finance Director

Website: [www.asos.com](http://www.asos.com)

#### **College Hill**

Matthew Smallwood / Justine Warren / Jamie Ramsay

Tel: 020 7457 2020

#### **JPMorgan Cazenove**

Luke Bordewich / Gina Gibson

Tel: 020 7742 4000

#### **Numis Securities**

Alex Ham

Tel: 020 7260 1000

### **Background note**

ASOS.com is a global online fashion and beauty retailer and offers over 50,000 branded and own label product lines across womenswear, menswear, footwear, accessories, jewellery and beauty. ASOS has websites targeting the UK, USA, France, Germany, Spain, Italy and Australia and also ships to over 190 other countries from its central distribution centre in the UK.

Aimed at fashion forward 16-34 year olds, ASOS attracts over 13.6 million unique visitors a month and as at 30 September 2011 had 6.3 million registered users and 3.7 million active customers from 160 countries (defined as having shopped on ASOS in the last 12 months).

[www.asos.com](http://www.asos.com)

[www.us.asos.com](http://www.us.asos.com)

[www.asos.de](http://www.asos.de)

[www.asos.fr](http://www.asos.fr)

[www.asos.com/au](http://www.asos.com/au)

[www.asos.it](http://www.asos.it)

[www.asos.es](http://www.asos.es)

[m.asos.com](http://m.asos.com)

[marketplace.asos.com](http://marketplace.asos.com)

[fashionfinder.asos.com](http://fashionfinder.asos.com)

**Interim Results for the 6 months ended 30 September 2011**

**Business Review**

We continue to make good progress towards our ambition of £1bn sales by 2015 and all our International markets are performing well. We remain a top five most visited apparel site in the world (on a daily basis) and 65% of our traffic is derived from outside the UK (48% last year).

The UK remains challenging and as a result we are proceeding more cautiously particularly over the peak period where we anticipate continued high levels of discounting across all retail channels. In the short to medium term however we do believe that growth in the UK can be achieved as we continue to build our ranges, develop our proposition and increase our awareness.

Our rapid and profitable global expansion has continued with the launch of three new country sites over the period, and our continued investment in our global free shipping proposition. We introduced a new returns hub in Sydney, and improved our delivery times, most notably in the USA by two days. The next stage is to introduce small in-country teams to amplify our marketing efforts in the countries where we have websites. This process is underway and we would expect to establish these teams early in the new year.

Work is also underway to enable the ASOS platform, both front and back end, to handle all language character sets rather than just western. A quicker route to market would have been to build these sites independently however that would have resulted in a number of individual platforms for countries such as China and Russia. Developing the ASOS platform will take approximately 12 months longer but will be considerably more efficient in the long term.

Our strategy of 'shop to destination' continues with both our Marketplace and Fashion Finder products significantly enhancing the ASOS customer experience. During the first half we rolled out Marketplace to our international sites and now promote product from a number of international boutiques. We also launched the ASOS Magazine and shopping apps to exploit the growing trend of mobile browsing – 11% of ASOS traffic is now via mobile. We see ASOS as being much more than a shop; it is also fashion media and a technical enabler of fashion, competing for a percentage of our twenty-something customer's time as well as an increasing percentage of their fashion purse. A number of initiatives are planned over the coming months to further enhance the customer experience.

We delivered a number of capacity enhancing initiatives over the period. Our legacy buying and merchandising system was replaced with a tier one solution and we relocated to a new single distribution facility in Barnsley (which will support over £1bn sales). Our 300 strong Customer Care team were relocated in Hemel Hempstead and we have secured additional space in our London building to accommodate future growth. Over 200 staff were recruited over the period, principally in our Retail, International, Customer Care and IT departments.

We remain very excited about the continued prospects for ASOS on the global stage and will continue to resource and invest in the business to exploit this unique opportunity. Despite the UK being more challenging, our profitable international expansion is more than compensating and we remain confident of achieving another year of significant progress and full year results in line with market expectations.

## Trading operations

The Group has achieved another strong first half performance with sales and profit growth rates being at their highest levels for 3 years. We have continued our strong international expansion during the first half, with International sales now accounting for 58% of total retail sales compared to 37% in the comparable period.

### Revenue

£'000s	UK	International			Total	Group Total
		USA	EU	RoW		
Retail sales	88,686	15,468	48,450	58,268	122,186	<b>210,872</b>
<i>Growth</i>	<i>8%</i>	<i>136%</i>	<i>73%</i>	<i>306%</i>	<i>150%</i>	<b><i>60%</i></b>
Delivery receipts	3,776	346	644	612	1,602	<b>5,378</b>
<i>Growth</i>	<i>18%</i>	<i>(3%)</i>	<i>(64%)</i>	<i>(58%)</i>	<i>(55%)</i>	<b><i>(21%)</i></b>
Third party revenues	1,008	-	-	-	-	<b>1,008</b>
<i>Growth</i>	<i>(31%)</i>					<b><i>(31%)</i></b>
<b>Group revenues</b>	<b>93,470</b>	<b>15,814</b>	<b>49,094</b>	<b>58,880</b>	<b>123,788</b>	<b>217,258</b>
<b><i>Growth</i></b>	<b><i>7%</i></b>	<b><i>128%</i></b>	<b><i>65%</i></b>	<b><i>273%</i></b>	<b><i>136%</i></b>	<b><i>56%</i></b>

Total Group revenue increased 56%, with total retail sales up 60% on last year, driven by 150% growth in our International retail sales.

The Rest of the World segment was the fastest growing segment in the period at 273%, boosted by strong sales from Australia (where we continue to maintain our 1<sup>st</sup> place Comscore position), Russia and Singapore. The USA and EU also grew strongly, in part due to our country-specific websites in the USA, France and Germany which were introduced in autumn 2010. We expect the Australian, Italian and Spanish websites to further increase traffic and sales in those markets in the second half of the financial year.

Despite the challenging economic environment facing all of our customers and particularly in the UK. Retail sales grew in the UK by 8% in the period and we maintained our 2<sup>nd</sup> place position in the UK for traffic based on Hitwise data.

As expected, overall delivery receipts were down 21% due to the continued investment in our customer delivery proposition. UK delivery receipts grew by 18% but this was offset by a decline in international delivery receipts of 55% due to continuation of our global free shipping offer which commenced in November 2010.

Third party revenues, which mainly comprise advertising revenues from the website and the ASOS magazine, declined by 31% in the year to £1.0m due primarily to the removal of banner advertising from our website in 2010 to optimise the customer experience.

## Trading Key Performance Indicators

Traffic in all our markets has increased year on year with total visits up by 63% and our active customers now total over 3.7 million, an increase of 56%. The number of orders also increased by 63% and average product selling price was up 6%. The decline in average basket value of 6% and average units per basket of 11% are in line with expectations and are a direct consequence of our investment in free delivery.

KPIs	UK	International				Group Total
		USA	EU	RoW	Total	
Average basket value <sup>1</sup>	£64.44	£58.87	£64.02	£62.64	£62.69	£63.61
Growth	2%	(6%)	(18%)	(38%)	(22%)	(6%)
Average units per basket	2.35	2.31	2.57	2.65	2.57	2.46
Growth	(8%)	(10%)	(22%)	(38%)	(24%)	(11%)
Average selling price per unit <sup>1</sup>	£27.37	£25.51	£24.87	£23.64	£24.43	£25.91
Growth	11%	4%	4%	-	2%	6%
Number of orders ('000)	2,708	364	1,085	1,021	2,470	5,178
Growth	13%	206%	114%	567%	217%	63%
Unique visitors ('000) <sup>2</sup>						13,600
Growth						46%
Total visits ('000) <sup>2</sup>	12,729	4,105	10,340	9,175	23,620	36,349
Growth	10%	121%	79%	210%	123%	63%
Active customers ('000) <sup>3</sup>	2,127	319	894	408	1,621	3,748
Growth	18%	219%	124%	308%	170%	56%

<sup>1</sup>Including VAT      <sup>2</sup> During September 2011

<sup>3</sup>As at 30 September 2011 defined as having shopped with ASOS during the last 12 months

## Gross profit

The Group generated gross profit of £110.0m (2010/11: £70.5m), up 56% on last year.

£'000s	UK	International				Group Total
		USA	EU	RoW	Total	
Gross profit	45,557	9,208	25,142	30,075	64,425	109,982
Growth	7%	124%	64%	247%	129%	56%
Retail gross margin	46.0%	57.3%	50.6%	50.6%	51.4%	49.1%
Change	20bps	10bps	220bps	40bps	130bps	170bps
Gross margin	48.7%	58.2%	51.2%	51.1%	52.0%	50.6%
Change	-	(120bps)	(20bps)	(370bps)	(150bps)	10bps

Note: From 1 April 2011, the Group has reclassified delivery costs from cost of sales to operating expenses to reflect their increasing deployment as a marketing expenditure. Prior year comparatives have been reclassified accordingly.

The Group retail gross margin increased by 170bps to 49.1% (2010/11: 47.4%) as a result of improved buying and markdown management, as well as the increase in the mix of higher margin International sales. Gross margin improved by 10bps to 50.6% (2010/11: 50.5%) as the improvements in retail margin were offset by the reduction in delivery receipts and third party revenues.

### ***Investment in our operating resources***

The Group increased its investment in its operating resources and capability by 54% to £98.0m, excluding exceptional items. Total operating costs ratio improved by 30bps on prior year and 440bps excluding investment in our customer delivery proposition.

<b>£'000s</b>	<b>H1 2011/12</b>	<b>H1 2010/11</b>	<b>Change</b>
Distribution costs	28,499	12,640	125%
Payroll and staff costs	21,529	17,857	21%
Warehousing	15,999	10,982	46%
Marketing	9,038	7,851	15%
Production	1,656	1,260	31%
Technology costs	5,922	2,682	121%
Other operating costs	11,827	7,953	49%
Depreciation	3,524	2,236	58%
<b>Operating costs excluding exceptional items</b>	<b>97,994</b>	<b>63,461</b>	<b>54%</b>
<i>% of sales</i>	<i>45.1%</i>	<i>45.4%</i>	<i>30bps</i>

Distribution costs have increased by 125% year on year due to increased order numbers and our continued investment in global free shipping. These investments have been a key part in boosting our sales growth, particularly internationally.

Payroll and staff costs increased by 21%, as we continue to benefit from scale economies and deliver operating cost leverage. We have continued to invest in headcount in our key areas of Technology, Retail and International as well as expanding our Customer Care resources to service our expanding global customer base.

Warehouse costs continue to be tightly managed in a period of significant change for the business as we transitioned to our new distribution facility in Barnsley. Warehouse costs, excluding exceptional items, were £16.0m and grew by 46%, representing 7.4% of sales compared with 7.9% in 2010/11. This operating efficiency was delivered through the benefits of greater scale and productivity gains in our new distribution centre.

Technology costs have increased by 121% on prior year to £5.9m as we invest in underlying infrastructure and innovate as in previous years.

The increase in other operating costs during the year was driven by increased credit card handling fees resulting from the number of transactions processed and increased property costs from additional head office space acquired during last year.

## Group Profit

The Group generated profit before tax and exceptional items up 66% on prior year at £11.7m (2010/11: £7.0m).

<b>£'000s</b>	<b>H1 2011/12</b>	<b>H1 2010/11</b>	<b>Change</b>
<b>Revenue</b>	<b>217,258</b>	<b>139,656</b>	<b>56%</b>
Cost of sales	(107,276)	(69,146)	
<b>Gross profit</b>	<b>109,982</b>	<b>70,510</b>	<b>56%</b>
Distribution costs	(28,499)	(12,640)	
Administrative expenses excluding exceptional items	(69,495)	(50,821)	
<b>Operating profit before exceptional items</b>	<b>11,988</b>	<b>7,049</b>	<b>70%</b>
Share of post tax losses of joint venture	-	(50)	
Net finance (costs)/income	(334)	4	
<b>Profit before tax and exceptional items</b>	<b>11,654</b>	<b>7,003</b>	<b>66%</b>
Exceptional items	(7,169)	-	
<b>Profit before tax</b>	<b>4,485</b>	<b>7,003</b>	<b>(36%)</b>
Income tax expense	(1,301)	(1,973)	
<b>Profit after tax</b>	<b>3,184</b>	<b>5,030</b>	<b>(37%)</b>

### Exceptional items

Exceptional costs of £7.2m reflect the ongoing direct costs of the transition to our new warehouse which is now fully operational. The cash outflow during the six months as a result of exceptional costs was £9.8m.

The main components of the exceptional charge are as follows:

<b>£'000s</b>	<b>H1 2011/12</b>	<b>H1 2010/11</b>	<b>FY 2010/11</b>
Dual site decollation costs	4,324	-	2,088
Pre go-live occupancy and employee costs	965	-	7,830
Vacant property costs	1,880	-	-
Impairment of assets	-	-	3,025
<b>Total</b>	<b>7,169</b>	<b>-</b>	<b>12,943</b>

In the second half, we expect to incur further exceptional charges of approximately £0.6m.

### Finance income and expense

Net finance costs were £334,000, compared to net finance income in the prior year of £4,000. The increase in finance costs is as a result of the draw-down of the revolving credit facility during H1 2011/12 to fund exceptional costs and capital expenditure relating to the new warehouse transition.

### Taxation

The effective tax rate (pre exceptional items) for the Group was 27.1%, 110bps lower than last year. Including exceptional items the effective tax rate was 29.0% (2010/11: 28.2%). Going forward, we would expect the effective rate of tax pre exceptional items to be around 1% higher than the prevailing corporation tax rate.

### *Earnings per share*

Basic underlying earnings per share<sup>1</sup> increased by 66% to 11.3p per share (2010/11: 6.8p), and diluted underlying earnings per share<sup>1</sup> increased by 62% to 10.5p per share (2010/11: 6.5p), reflecting the increase in profit after tax excluding exceptional items in the year.

Basic earnings per share<sup>2</sup> decreased by 38% to 4.2p per share (2010/11: 6.8p), and diluted earnings per share<sup>2</sup> decreased by 40% to 3.9p per share (2010/11: 6.5p), reflecting the exceptional costs incurred during the year offsetting the growth in underlying profit after tax.

### *Dividend*

The Board is of the opinion that shareholder's interests are best served by continuing to reinvest the cash generated by the business to exploit the substantial growth opportunities both in the UK and Internationally. Accordingly, it has proposed not paying a dividend this half year. This policy remains under regular review.

### ***Statement of Financial Position***

The Group has a strong financial position. During the six months to 30 September 2011 net assets decreased by £1.2m to £70.9m (31 March 2011: £72.1m) as a result of a decrease in the deferred tax asset offset by profit after tax for the period. The Group continues to hold an asset held for resale of £2.8m which represents the net realisable value of assets held in the legacy Hemel warehouse.

### ***Statement of Cash Flows***

The Group cash balance was £20.4m at 30 September 2011, up from £4.7m at 31 March 2011. Net funds were £10.4m (31 March 2011: £4.7m). The summary cash flow is detailed below.

<b>£'000s</b>	<b>H1 2011/12</b>	<b>H1 2010/11</b>
<b>Operating profit</b>	<b>4,819</b>	<b>7,049</b>
Exceptional items	7,169	-
<b>Operating profit before exceptional items</b>	<b>11,988</b>	<b>7,049</b>
Depreciation and amortisation	3,524	2,229
Working capital	(1,263)	(14,647)
Share based payments charges	471	881
Tax received/(paid)	2,136	(2,430)
<b>Cash in/(out)flow from operating profit before exceptional items</b>	<b>16,856</b>	<b>(6,918)</b>
Operating cash outflow relating to exceptional items	(9,774)	-
<b>Cash in/(out)flow from operating profit</b>	<b>7,082</b>	<b>(6,918)</b>
Capital expenditure	(9,524)	(5,106)
Proceeds from issue of ordinary shares	547	692
Purchase of own shares by Employee Benefit Trust	(246)	(302)
Drawdown of revolving credit facility	10,000	-
Net interest (paid)/received	(334)	4
<b>Underlying cash in/(out)flow</b>	<b>7,525</b>	<b>(11,630)</b>
One-off payable	8,210	-
<b>Total cash in/(out)flow</b>	<b>15,735</b>	<b>(11,630)</b>

<sup>1</sup> Underlying earnings per share has been calculated using profit after tax but before exceptional items.

<sup>2</sup> Earnings per share has been calculated using profit after tax and exceptional items.



Cash generated from operating profit increased by £14.0m, as a result of an increase in operating profit before exceptional items of £4.9m, an improvement of £13.4m in cash flows from working capital and a favourable variance in corporation tax cash flows of £4.6m, offset by additional cash expenditure on exceptional items of £9.8m.

The Group has continued to monitor working capital tightly, resulting in an improvement in the cash outflow from working capital from £14.6m to £1.3m. The working capital movement is primarily as a result of tighter stock controls and improved stock turn.

The increase in operating cash inflow was offset by capital expenditure of £9.5m, £4.4m higher than last year. The Group also had a cash inflow of £8.2m relating to receipt of cash to settle tax liabilities on share options exercises, and drew down £10.0m in the period under its revolving credit facility agreement to fund the exceptional operating expenditure required to complete the transition to the new warehouse.

Total cash inflow for the year was £15.7m (2010/11: outflow of £11.6m), and movement in net funds was £5.7m (2010/11: outflow of £11.6m).

Our investments are funded by operating cash flows, with additional short term and medium term facilities to support working capital movement and planned capital expenditure. At 30 September 2011, the Group had drawn-down its £10.0m revolving facility in full. The Group also has a £10.0m overdraft facility to be used for general corporate purposes including working capital.

#### *Fixed asset additions*

<b>£' 000</b>	<b>H1 2011/12</b>	<b>H1 2010/11</b>	<b>FY 2010/11</b>
IT	6,487	3,755	9,726
Office fixtures and fit-out	684	360	977
Warehouse	847	991	17,781
<b>Total</b>	<b>8,018</b>	<b>5,106</b>	<b>28,484</b>

The majority of fixed asset additions were related to improvements in our IT infrastructure, particularly on our new buying and merchandising system which launched in September 2011, and on our three new international websites.

We have invested £0.8m in the new distribution centre and are forecasting to spend an additional £5.0m-£8.0m in the second half of the year.

Unaudited Consolidated Statement of Comprehensive Income  
For the six months ended 30 September 2011

	Six months to 30 September 2011			Six months to 30 September 2010 Reclassified (note 1) Total <sup>1</sup>	Year to 31 March 2011 Reclassified (note 1)		
	Before exceptional items	Exceptional items	Total		Before exceptional items	Exceptional items	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	217,258	-	217,258	139,656	339,691	-	339,691
Cost of sales	(107,276)	-	(107,276)	(69,146)	(173,042)	-	(173,042)
Gross profit	109,982	-	109,982	70,510	166,649	-	166,649
Distribution expenses	(28,499)	(2,268)	(30,767)	(12,640)	(34,959)	-	(34,959)
Administrative expenses	(69,495)	(4,901)	(74,396)	(50,821)	(102,840)	(12,943)	(115,783)
<b>Operating profit</b>	<b>11,988</b>	<b>(7,169)</b>	<b>4,819</b>	7,049	28,850	(12,943)	15,907
Share of post tax losses of joint venture	-	-	-	(50)	(3)	-	(3)
Finance income	-	-	-	4	16	-	16
Finance expense	(334)	-	(334)	-	(215)	-	(215)
<b>Profit before tax</b>	<b>11,654</b>	<b>(7,169)</b>	<b>4,485</b>	7,003	28,648	(12,943)	15,705
Income tax expense	(3,160)	1,859	(1,301)	(1,973)	(8,337)	3,481	(4,856)
<b>Total comprehensive income attributable to owners of the parent</b>	<b>8,494</b>	<b>(5,310)</b>	<b>3,184</b>	5,030	20,311	(9,462)	10,849
<b>Earnings per share<sup>2</sup></b>							
Basic			4.2p	6.8p			14.6p
Diluted			3.9p	6.5p			13.7p
<b>Underlying earnings per share<sup>3</sup></b>							
Basic	11.3p			6.8p	27.3p		
Diluted	10.5p			6.5p	25.6p		

<sup>1</sup> There were no exceptional items during the six months to 30 September 2010.

<sup>2</sup> Earnings per share is calculated in accordance with IAS 33 'Earnings per share' and includes exceptional items.

<sup>3</sup> Underlying earnings per share excludes exceptional items.

Unaudited Consolidated Statement of Changes in Equity  
For the six months ended 30 September 2011

	Called up share capital £'000	Share premium £'000	Hedging reserve £'000	Retained earnings <sup>1</sup> £'000	Employee Benefit Trust reserve £'000	Total equity £'000
Balance as at 1 April 2010	2,617	4,138	-	41,920	(3,197)	45,478
Shares allotted in the year	31	661	-	-	-	692
Purchase of shares by Employee Benefit Trust	-	-	-	-	(302)	(302)
Employee share schemes	-	-	-	(429)	1,310	881
Total comprehensive income	-	-	-	5,030	-	5,030
Deferred tax on share options	-	-	-	6,380	-	6,380
Current tax on items taken directly to equity	-	-	-	112	-	112
Derivative financial assets	-	-	57	-	-	57
Balance as at 30 September 2010	2,648	4,799	57	53,013	(2,189)	58,328
Shares allotted in the year	13	395	-	-	-	408
Purchase of shares by Employee Benefit Trust	-	-	-	-	(1,104)	(1,104)
Employee share schemes	-	-	-	266	18	284
Total comprehensive income	-	-	-	5,819	-	5,819
Deferred tax on share options	-	-	-	3,819	-	3,819
Current tax on items taken directly to equity	-	-	-	4,623	-	4,623
Derivative financial assets	-	-	(57)	-	-	(57)
Balance as at 31 March 2011	2,661	5,194	-	67,540	(3,275)	72,120
Shares allotted in the year	37	510	-	-	-	547
Purchase of shares by Employee Benefit Trust	-	-	-	-	(480)	(480)
Employee share schemes	-	-	-	(660)	1,366	706
Total comprehensive income	-	-	-	3,184	-	3,184
Deferred tax on share options	-	-	-	(7,087)	-	(7,087)
Current tax on items taken directly to equity	-	-	-	1,736	-	1,736
Derivative financial assets	-	-	192	-	-	192
<b>Balance as at 30 September 2011</b>	<b>2,698</b>	<b>5,704</b>	<b>192</b>	<b>64,713</b>	<b>(2,389)</b>	<b>70,918</b>

<sup>1</sup>Retained earnings includes the share-based payments reserve

Unaudited Consolidated Statement of Financial Position  
As at 30 September 2011

	As at 30 September 2011 £'000	As at 30 September 2010 £'000	As at 31 March 2011 £'000
<b>Non-current assets</b>			
Goodwill	1,060	1,060	1,060
Other intangible assets	12,515	6,208	9,529
Property, plant and equipment	26,401	13,363	24,893
Interest in joint venture	-	103	-
Deferred tax asset	9,614	12,482	16,877
	<b>49,590</b>	<b>33,216</b>	<b>52,359</b>
<b>Current assets</b>			
Inventories	78,799	64,459	66,094
Trade and other receivables	17,504	11,049	10,122
Derivative financial assets	192	57	-
Current tax asset	1,386	-	2,914
Cash and cash equivalents	20,414	4,015	4,679
	<b>118,295</b>	<b>79,580</b>	<b>83,809</b>
Assets of disposal group classified as held for sale	<b>2,800</b>	-	2,800
<b>Current liabilities</b>			
Trade and other payables	(89,081)	(53,119)	(64,947)
Provisions	(686)	-	(1,901)
Current tax liabilities	-	(1,349)	-
	<b>(89,767)</b>	<b>(54,468)</b>	<b>(66,848)</b>
<b>Non-current liabilities</b>			
Revolving credit facility	<b>(10,000)</b>	-	-
<b>Net current assets</b>	<b>31,328</b>	<b>25,112</b>	<b>19,761</b>
<b>Net assets</b>	<b>70,918</b>	<b>58,328</b>	<b>72,120</b>
<b>Equity attributable to owners of the parent</b>			
Called up share capital	2,698	2,648	2,661
Share premium	5,704	4,799	5,194
Hedging reserve	192	57	-
Employee Benefit Trust reserve	(2,389)	(2,189)	(3,275)
Retained earnings	64,713	53,013	67,540
<b>Total equity</b>	<b>70,918</b>	<b>58,328</b>	<b>72,120</b>

Unaudited Consolidated Statement of Cash Flows  
For the six months ended 30 September 2011

	Six months to 30 September 2011 £'000	Six months to 30 September 2010 £'000	Year to 31 March 2011 £'000
<b>Operating profit</b>	<b>4,819</b>	7,049	15,907
Adjusted for:			
Operating exceptional items	<b>7,169</b>	-	12,943
Depreciation of property, plant and equipment	<b>2,053</b>	1,804	3,290
Amortisation of other intangible assets	<b>1,471</b>	425	1,642
Increase in inventories	<b>(12,705)</b>	(26,731)	(28,366)
Increase in trade and other receivables	<b>(7,382)</b>	(6,196)	(5,119)
Increase in trade and other payables	<b>27,034</b>	18,280	25,944
Share-based payments charges	<b>471</b>	881	1,165
Income taxes received/(paid)	<b>2,136</b>	(2,430)	(5,509)
<b>Net cash generated from operating activities before exceptional items</b>	<b>25,066</b>	(6,918)	21,897
Cash outflow relating to exceptional operating items	<b>(9,774)</b>	-	(6,615)
<b>Net cash generated from operating activities</b>	<b>15,292</b>	(6,918)	15,282
<b>Investing activities</b>			
Payments to acquire other intangible assets	<b>(4,701)</b>	(2,715)	(7,748)
Payments to acquire property, plant and equipment	<b>(4,823)</b>	(2,391)	(17,995)
Finance income	-	4	16
<b>Net cash outflow used in investing activities</b>	<b>(9,524)</b>	(5,102)	(25,727)
<b>Financing activities</b>			
Proceeds from issue of ordinary shares	<b>547</b>	692	1,100
Purchase of own shares by Employee Benefit Trust	<b>(246)</b>	(302)	(1,406)
Drawdown of revolving credit facility	<b>10,000</b>	-	-
Finance expense	<b>(334)</b>	-	(215)
<b>Net cash used in financing activities</b>	<b>9,967</b>	390	(521)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>15,735</b>	(11,630)	(10,966)
<b>Opening cash and cash equivalents</b>	<b>4,679</b>	15,645	15,645
<b>Closing cash and cash equivalents</b>	<b>20,414</b>	4,015	4,679

Reconciliation of net cash flow to movement in net funds

	Six months to 30 September 2011 £'000	Six months to 30 September 2010 £'000	Year to 31 March 2011 £'000
<b>Net funds at beginning of the period</b>	<b>4,679</b>	15,645	15,645
Increase/(decrease) in cash and cash equivalents	<b>15,735</b>	(11,630)	(10,966)
Increase in net debt	<b>(10,000)</b>	-	-
<b>Net funds at end of the period</b>	<b>10,414</b>	4,015	4,679

# Notes to the Unaudited Interim Financial Information

## For the six months ended 30 September 2011

### 1. Basis of preparation, accounting policies and approval of Interim Statement

#### a) Basis of preparation

The Interim Financial Statements for the 6 months ended 30 September 2011 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 March 2011, which have been prepared in accordance with IFRSs as adopted by the European Union.

The Group's business activities together with the factors that are likely to affect its future developments, performance and position are set out in the Business Review. The Business Review describes the Group's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Group. The Annual Report and Accounts 2011 includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The directors have reviewed current performance and forecasts, combined with expenditure commitments, including capital expenditure. After making enquiries, the directors have a reasonable expectation that the Group has adequate financial resources to continue its current operations, including contractual and commercial commitments for the foreseeable future despite the current uncertain economic outlook. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

#### b) Financial information

The financial information set out in this report does not constitute statutory accounts within the meaning of section 434 the Companies Act 2006. The Annual Report and Accounts 2011 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under s498(2) or s498(3) of the Companies Act 2006.

The Interim Financial Statements are unaudited and were approved by the Board of Directors on 3 November 2011.

#### c) Accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the 2011 Annual Report and Accounts, except as described below. It is these accounting policies which are expected to be followed in the preparation of the full financial statements for the financial year ended 31 March 2012.

From 1 April 2011, the Group has reclassified postage costs from cost of sales to operating expenses to reflect the increasing deployment of delivery costs as a marketing expenditure. Comparative information has been reclassified accordingly. The impact of this reclassification for the six months to 30 September 2010 and year to 31 March 2011 is as follows:

	Six months to 30 September 2010			Year to 31 March 2011		
	Reported	Adjustment	Restated	Reported	Adjustment	Restated
Gross profit	57,870	12,640	70,510	131,690	34,959	166,649
Operating expenses excluding exceptional items	(50,821)	(12,640)	(63,461)	(102,840)	(34,959)	(137,799)
Operating profit	7,049	-	7,049	28,850	-	28,850

With effect from September 2011, the Group has changed its policy for valuation of inventories from a first-in-first-out basis to a weighted average cost basis as this is deemed to more effectively match current costs and current revenues in the statement of comprehensive income. The impact of this change in valuation basis on the inventory held by the Group at 30 September 2011 is immaterial. The impact on the carrying value of inventories as at 30 September 2010 and 30 September 2009 is immaterial therefore prior year comparatives have not been restated.

## 1. Basis of preparation, accounting policies and approval of Interim Statement (continued)

### d) Exceptional items

The Group separately identifies and discloses significant one-off or unusual items which can have a material impact on absolute profits. These are termed 'exceptional items' and are disclosed separately in the statement of comprehensive income in order to provide an understanding of the Group's underlying financial performance. Exceptional items are judgemental in their nature and may not be comparable to similarly titled measures used by other companies. Further details of exceptional items are included in Note 3 to this release.

### e) Seasonality of operations

Due to the seasonal nature of the Group's operations, with Christmas falling within the second half of the financial year, higher revenues and operating profits are usually expected in the second half of the year than during the first six months. In the financial year ended 31 March 2011, 41% of revenues accumulated in the first half of the year, with 59% accumulating in the second half.

## 2. Segmental analysis

IFRS 8 'Operating Segments' requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Operating Board. The Operating Board has determined that the primary segmental reporting format is geographical, based on the Group's management and internal reporting structure. The Operating Board assesses the performance of each segment based on revenue and gross profit which excludes unallocated central costs such as warehouse costs, staff costs and other administration costs.

### Six months to 30 September 2011

	UK	USA	EU	RoW	Total
	£'000	£'000	£'000	£'000	£'000
Revenue	93,470	15,814	49,094	58,880	217,258
Cost of sales	(47,913)	(6,606)	(23,952)	(28,805)	(107,276)
Gross profit	45,557	9,208	25,142	30,075	109,982
Distribution costs	(8,270)	(4,469)	(6,256)	(9,504)	(28,499)
Administrative expenses					(69,495)
Operating profit before exceptional items					11,988
Exceptional items					(7,169)
Finance expense					(334)
Profit before tax					4,485

### Six months to 30 September 2010 (Reclassified, see note 1)

	UK	USA	EU	RoW	Total
	£'000	£'000	£'000	£'000	£'000
Revenue	87,094	6,922	29,834	15,806	139,656
Cost of sales	(44,706)	(2,809)	(14,490)	(7,141)	(69,146)
Gross profit	42,388	4,113	15,344	8,665	70,510
Distribution costs	(6,975)	(1,058)	(2,927)	(1,680)	(12,640)
Administrative expenses					(50,821)
Operating profit					7,049
Share of post tax losses of joint venture					(50)
Finance income					4
Profit before tax					7,003

## 2. Segmental analysis (continued)

	Year to 31 March 2011 (Reclassified, see note 1)				
	UK £'000	USA £'000	EU £'000	RoW £'000	Total £'000
Revenue	193,392	19,276	76,448	50,575	339,691
Cost of sales	(102,044)	(8,354)	(38,587)	(24,057)	(173,042)
Gross profit	91,348	10,922	37,861	26,518	166,649
Distribution costs	(15,471)	(3,982)	(8,712)	(6,794)	(34,959)
Administrative expenses					(102,840)
Operating profit before exceptional items					28,850
Exceptional items					(12,943)
Share of post tax losses of joint venture					(3)
Finance income					16
Finance expense					(215)
Profit before tax					15,705

Due to the nature of its activities, the Group is not reliant on any individual major customers.

No analysis of the assets and liabilities of each operating segment is provided to the CODM in the monthly management accounts therefore no measure of segments assets or liabilities is disclosed in this note.

There are no significant non-current assets located outside the UK.

## 3. Exceptional items

During the six months to 30 September 2011, exceptional costs of £7.2 million were charged to operating expenses to reflect the direct costs of the reorganisation of distribution following the leasing of a new distribution centre to meet the increasing capacity needs of the business.

The main components of the exceptional charge are as follows:

	<b>Six months to 30 September 2011 £'000</b>	Six months to 30 September 2010 £'000	Year to 31 March 2011 £'000
Dual site decollation costs	<b>4,324</b>	-	2,088
Pre go-live occupancy and employee costs	<b>965</b>	-	7,830
Vacant property costs	<b>1,880</b>	-	-
Impairment of assets	-	-	3,025
<b>Total</b>	<b>7,169</b>	-	12,943



#### 4. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Parent Company by the weighted average number of ordinary shares in issue during the year. Own shares held by the ASOS.com Limited Employee Benefit Trust are eliminated from the weighted average number of ordinary shares.

Diluted earnings per share amounts are calculated by dividing the profit attributable to the owners of the Parent Company by the weighted average number of ordinary shares in issue during the year, adjusted for the effects of potentially dilutive share options.

	<b>Six months to 30 September 2011 No. of shares</b>	Six months to 30 September 2010 No. of shares	Year to 31 March 2011 No. of shares
<b>Weighted average share capital</b>			
Weighted average shares in issue for basic earnings per share	<b>75,405,409</b>	73,510,899	74,375,042
Effect of dilutive options	<b>5,772,381</b>	4,170,209	4,844,159
Weighted average shares in issue for diluted earnings per share	<b>81,177,790</b>	77,681,108	79,219,201
	<b>H1 2011/12 £'000</b>	H1 2010/11 £'000	FY 2010/11 £'000
<b>Earnings</b>			
Underlying earnings attributable to shareholders	<b>8,494</b>	5,030	20,311
Exceptional items net of related taxation	<b>(5,310)</b>	-	(9,462)
Earnings attributable to shareholders	<b>3,184</b>	5,030	10,849
	<b>H1 2011/12 pence</b>	H1 2010/11 pence	FY 2010/11 pence
<b>Basic earnings per share</b>			
Underlying earnings per share (note i)	<b>11.3</b>	6.8	27.3
Exceptional items net of taxation	<b>(7.1)</b>	-	(12.7)
Earnings per share (note ii)	<b>4.2</b>	6.8	14.6
	<b>H1 2011/12 Pence</b>	H1 2010/11 pence	FY 2010/11 pence
<b>Diluted earnings per share</b>			
Underlying earnings per share (note i)	<b>10.5</b>	6.5	25.6
Exceptional items net of taxation	<b>(6.6)</b>	-	(11.9)
Earnings per share (note ii)	<b>3.9</b>	6.5	13.7

i) Underlying earnings per share has been calculated using profit after tax but before exceptional items.

ii) Earnings per share has been calculated using profit after tax and exceptional items.

Under the Management Incentive Plan ("MIP"), the maximum dilution to existing shareholders will be limited to 5.8%, based on an issued share capital of 74,740,241 ordinary shares as at 29 January 2010. Assuming maximum dilution in relation to the MIP, weighted average shares in issue for diluted earnings per share as at 30 September 2011 would include an additional 2,261,890 shares.

## 5. Analysis of net debt

	<b>Six months to 30 September 2011 £'000</b>	Six months to 30 September 2010 £'000	Year to 31 March 2011 £'000
Net movement in cash and cash equivalents	<b>15,735</b>	(11,630)	(10,966)
Cash flow from drawing of revolving credit facility	<b>(10,000)</b>	-	-
Net movement in net funds	<b>5,735</b>	(11,630)	(10,966)
Opening net funds	<b>4,679</b>	15,645	15,645
<b>Closing net funds</b>	<b>10,414</b>	4,015	4,679

The revolving credit facility is available until February 2013.

## 6. Related parties

The Group's related parties are its joint venture, Employee Benefit Trust and key management personnel. There have been no material changes to the related party transactions during the interim period under review.